CHAPTER 99. INTERNATIONAL FIELD OFFICE PROCEDURES FOR CONDUCTING SAMPLING INSPECTIONS, FAA INDEPENDENT INSPECTIONS, AND PARTICIPATING IN FOREIGN NATIONAL AVIATION AUTHORITY'S INTERNAL QUALITY AUDITS UNDER A BASA/MIP

SECTION 1. BACKGROUND

1. PROGRAM TRACKING AND REPORTING SUBSYSTEM (PTRS) ACTIVITY CODES.

A. Maintenance: 3045, 3655

B. Avionics: 5045, 5655

3. OBJECTIVE AND EXPLANATION. This chapter describes the requirements and procedures necessary for the Federal Aviation Administration (FAA) to effectively and efficiently participate as observers in National Aviation Authority (NAA) internal quality audits (EASA MAST), conduct sampling surveillance of FAA-certificated repair stations located outside the territory of the United States in accordance with (IAW) the Maintenance Implementation Procedures (MIP) of a Bilateral Aviation Safety Agreement (BASA) and FAA independent Inspections. By performing a sampling inspection, the FAA verifies, through a targeted review of a repair station's systems, with emphasis on the MIP FAA Special Conditions, that the NAA is in compliance with the MIP. The combination of participation in NAA internal Audits (EASA-MAST visits) and FAA sampling inspections is part of the checks and balances built into the MIP program.

A. During the development of the BASA/MIP, the FAA and the NAA (EASA) recognized that it was not practical to expect industry, NAA inspectors and FAA inspectors to be knowledable of two or more sets of regulations (EASA Title 14 of the Code of Federal Regulations (14 CFR) part 145). The FAA and EASA arrived at the MIP special conditions through a regulatory comparsion, review of guidance material, and performing an assessment of each authority. Therefore, all parties agreed that the areas identified as MIP special conditions would be the required knowledge level for industry, NAA inspectors, and FAA inspectors. It is not necessary for an FAA inspector to be knowledgeable of EASA part 145 requirements. The focus of FAA sampling inspections is to verify through sampling repair stations and NAA offices compliance with the MIP and FAA special conditions. Compliance with EASA 14 CFR part 145 and the FAA special conditions is the responsibility of the certificate holder. NAA/EASA verifies through regular surveillance industries compliant with the agreement. FAA sampling inspections are limited to the FAA special conditions.

B. FAA participation in NAA internal audit programs (i.e., EASA MAST visits) are designed to verify NAA compliance with EASA part 145.

C. Joint cooperation and communication is an essential part of the success of the MIP program. Therefore, when cooperation and/or communication seems to be diminishing, the country coordinator will advise the office manager. The office manager will contact the appropriate NAA management to correct the situation. If the office management has difficulty gaining NAA cooperation, the matter should be referred to the region and AFS-300 for additional instructions. AFS headquarters management will bring the issues to higher management levels within EASA. (AFS and EASA are discussing developing a technical committee to deal with technical and process issues; however, this committee has not been finalized at this time. AFS-300 will advise all concerned once this committee is operational.)

5. GENERAL. Initial certification requirements under a BASA/MIP are in FAA Order 8300.10, Airworthiness Inspector's Handbook, volume 2, chapter 170, and Advisory Circular (AC) 145-7, Issuance of Repair Station Certificates to Foreign Approved Maintenance Organizations Under the Maintenance Implementation Procedures of a Bilateral Aviation Safety Agreement, current edition. Procedures for renewal/amendment of an FAA-certificated foreign repair station under a BASA/MIP are in volume 2, chapter 171, and AC 145-7. FAA

procedures for turnover of repair stations to a BASA/MIP NAA are in volume 2, chapter 172.

7. BACKGROUND.

A. FAA-certificated repair stations located outside the United States under the provisions of part 145 foreign repair stations respond to the need to perform maintenance on or alteration/modification to aeronautical products subject to U.S. airworthiness regulations in foreign countries.

NOTE: See volume 2, chapter 170, section 1, for additional general information, definitions, and acronyms.

B. Legal authority for the FAA to conduct sampling inspections is contained in the respective BASAs and associated MIPs. The MIP states the following or a similar statement:

"Continued Confidence: The FAA and NAA shall conduct periodic joint evaluations of each other's continued compliance with the terms of these Implementation Procedures. Such evaluations may include repair stations/maintenance organizations in order to ensure the responsible authority is adequately applying these Implementation Procedures."

SECTION 2. SAMPLING INSPECTIONS

1. PREREQUISITES AND COORDINATION REQUIREMENTS.

A. Prerequisites:

- Knowledge of the regulatory requirements of 14 parts 43 and 145
- Successful completion of the Airworthiness Inspector's Indoctrination course(s) or equivalent
- Previous experience with certification or surveillance of part 145 repair stations
- Completion of FAA-approved computer-based instruction training course, number 27012, when implemented
- Successful completion of the Certificated Foreign and Domestic Repair Station (CFRS) course, number 21058, or equivalent
- Completion of AFS-300/AEA-230 IFO interim guidance seminars (pending completion and publication of BASA/MIP training program)
- Completion of BASA/MIP training course currently under development
- Knowledge of Interim BASA/MIP Guidance

B. Coordination. This task requires coordination with:

- The applicant's Approved Maintenance Organization (AMO)
- The NAA of the country in which the applicant AMO is located
- Eastern Regional Office (AEA-230)
- FAA Headquarters, AFS-50/300 (as necessary)

3. REFERENCES, FORMS, AND JOB AIDS.

A. References:

- 14 Parts 43 and 145
- Order 8300.10, volume 2, chapters 161, 163, 164, 165, 170, 171, and 172
- AC 145-7

B. Forms:

- FAA Form 8000-4, Air Agency Certificate
- FAA Automated Repair Station Operations Specifications (OpSpecs)
- FAA Form 8310-3, Application for Repair Station Certificate and/or Rating
- NAA approval certificate and OpSpecs/document defining the AMO's limitations (in the case of EASA, EASA Form 3, Approval Certificate and Approval Schedule is the appropriate documents)
- In some cases, the NAA has approved procedures for the AMO to make changes to its limitations or approved the use of a Capabilities List (CL) (see vol. 2, ch. 170, for a description of a CL or see AC 145-7 for scope and details)
- NAA surveillance/inspection report (or in the case of EASA, FAA Annex to EASA Form 6) and recommendation for FAA certification/renewal/amendment
- NAA internal evaluation report (in the case of EASA, EASA Form 7,

Maintenance Airworthiness Standardization Team (MAST) Visit Report)

C. Job Aids. **(TBD)** Completion date of June 2006.

5. FAA SURVEILLANCE RESPONSIBILITIES AND PROCEDURES OF REPAIR STATIONS UNDER A BASA/MIP.

A. Sampling Inspections. In conjunction with the NAA, the FAA may perform inspections of a representative sample of AMOs located in countries that have concluded a BASA/MIP with the United States. The International Field Office (IFO) should plan a mimimum of 10 percent yearly sampling inspections (percentage should be based on the criteria set forth in paragraph 5D(2)(a)) of AMOs that have been turned over IAW BASA/MIP in cooperation with the NAA. The IFO manager should appoint a country coordinator who will work closely with the NAA. The FAA aviation safety inspector (ASI) assigned as country coordinator will develop an annual audit sampling schedule. The focus of the FAA inspections will be centered on compliance with the MIP FAA special conditions and the NAA's ability to comply with the agreement. The IFO manager will make the final determination of the size of the sampling inspection based on paragraph 5D.

(1) FAA International Aviation Safety Assessments (IASA) As a preliminary requirement to a BASA/MIP agreement, the FAA assessed each country for compliance with ICAO requirements. To qualify for a BASA/MIP, the country must have been rated as an IASA category one. If a country is moved to a lower category after a BASA/MIP is signed and the lower category is the result of failing to meet IASA's aircraft maintenance oversight standards section of the assessment, the FAA will progressively increase the frequency of sampling inspection until the country is reevaluated and listed as an IASA category one. The FAA may determine that 100 percent sampling may need to be accomplished depending on the seriousness of the IASA findings.

(2) The FAA Regional Manager, in consolation with the Manager of the Aircraft Maintenance Division, AFS-300, will evaluate the increased level of sampling inspection recommended by the IFO manager for concurrence.

NOTE: Be advised that the above policy does not include IASA findings that are associated with IASA aircraft operational oversight standards.

B. FAA Independent Inspections. Independent inspections are not sample inspections; they are inspections conducted in the event of exceptional circumstances. Exceptional circumstances include, but are not limited to, events such as accident/incident investigations or compliance and enforcement investigations. The FAA should notify the NAA of the planned independent inspection and offer them the opertunity to participate as observers (see section 3 for additional details).

C. FAA Participation in EASA/NAA Audits. The FAA will also participate in NAA regional and headquarters audits to validate the NAA's ability to ensure compliance with the MIP (in the case of EASA, this would be EASA MAST) (see section 4 for details*)*. FAA participation in EASA MAST visits should be limited to those countries that have signed a MIP with the United States.

D. The FAA IFO manager will ensure the following with regard to managing the sample inspection program:

(1) The IFO manager will appoint an MIP country coordinator for each country; the IFO manager should appoint the country coordinator based on PMI/PAI experience and knowledge of MIP policy and procedures.

NOTE: The country coordinator is not a position, it is a additional task. The FAA has determined the most efficient and effective method of communicating with the EC/EASA is to appoint a country coordinator for each MIP country.

(2) The country coordinator will be responsible for the following:

(a) Advising the IFO management of the number of AMOs to be inspected within the countries that have signed a BASA/MIP; final decisions rest with the IFO management staff. The selection criteria for sampling inspection candidates and determination of scope and complexity of surveillance includes a comprehensive analysis that uses FAA analysis tools such as the Safety Performance and Analysis (SPAS) system, RSAT, when available, and a review of

previous NAA surveillance activity using the most recent appropriate NAA surveillance form that includes FAA special conditions, or FAA/NAA-accepted equivalent documentation received from the NAA on the AMOs to be inspected. In the case of EASA facilities, review the FAA Annex to EASA Form 6.

(b) The country coordinator should use a consistent and objective method to determine the size and composition of any inspection team recommended to the IFO manager. The IFO manager will select team leaders as necessary.

(c) The country coordinator will be the focal point between the IFO and the NAA representitive for all issues pertaining to the MIP.

(d) The team leader should invite the NAA PMI or PAI and a representative from the NAA regional and/or headquarters office to participate in the inspection. This is typically accomplished by submitting to the NAA headquarter contact/coordinator a written yearly (suggested) schedule of activities, dates, times, NAA offices to be visited, and AMOs to be inspected. However it is acceptable for the NAA inspector to meet the FAA at the AMO or inspection site provided the NAA inspectors have the appropriate documentation with them, as described below. In some cases it may also be acceptable to visit the NAA office or central location and review all repair station files at one time. The spirit of the MIP process requires cooperation between both parties to use the most efficient process possible. (The FAA should provide the NAA with necessary commitments that meet NAA document security requirements). A visit to the NAA certificate-holding district office (CHDO) is an essential part of the sampling inspection. However, visiting all offices is not necessary as one per year meets the intent of the MIP. When visiting an NAA office, a review of repair station records and discussions with the principle inspectors should take place,this may also take place at the AMO at the discression of the team leader. It is recommended that the NAA coordinator (if available) establish a schedule with the associated NAA principal inspector to accommodate the FAA team during its normally scheduled visits to the selected AMO. The FAA wishes to work with the NAA using their normal surveillance schedule. This avoids duplication of effort and redundant inspections. The FAA team leader may request NAA assistance for travel information, recommendations for hotel accommodations, or any additional information needed to schedule the inspection. At the conclusion of the sampling inspection, time should be allocated to brief the NAA inspector as well as the NAA headquarters/regional management personnel, as appropriate, if the finding indicates significant issues.

NOTE: If the NAA is willing, the FAA may submit a list of repair stations to be visited and the NAA may develop the itinerary and schedule. In most cases, this is a more efficient and effective method of accomplishing this task.

E. The inspector/team leader may inform the AMO to be visited of the time and date of the FAA inspection. It is FAA policy to advise the organization to be visited in order to ensure the correct management personnel are available during the inspection. The FAA team leader may adjust the date and time of the visit to accommodate the availability of the AMO's management; however, the FAA's time is valuable also, and if rescheduling the inspection is a major inconvenience to the FAA, the date and time selected by the country coordinator will prevail. The AMO management may appoint other people to represent them. The IFO is expected to be familiar with local holidays as well as local customs and should make every effort to accommodate the AMO/NAA being visited. The AMO will be advised that any applicable fees will be calculated IAW AC 187-1, Flight Standards Service Schedule of Charges Outside the United States, current edition. This inspection function is considered to be a sampling inspection of the AMO certificate and if the FAA conducts the record and MOE supplement review at the NAA office, all costs associated with the review shall be charged to the repair station as well as travel, per diem, and resources used as it is an integral part of the FAA certification process. The fees should be calculated using inspection time, travel, and per diem expenses as well as other expenses identified in AC 187-1 (see task outcome for additional information).

NOTE: It is acceptable for the NAA inspector to meet the FAA at the AMO or inspection site provided the NAA inspectors have the appropriate documentation with them. In some cases it may also be acceptable to visit the NAA office or central location and review all repair station files at one time. The spirit of the MIP process requires cooperation between both parties to use the most efficient process possible.

(1) IAW the MIP, FAA may request the current FAA supplement through the NAA before the inspection.

(2) The NAA, on request, should provide FAA with a copy of the AMO's FAA manual supplement in English before the inspection (or make arrangements to review the FAA manual supplement at the NAA or AMO's office before doing the inspection). In most cases, it would be more appropriate to review the manual supplement at the AMO or on site at the NAA office to avoid shipping the manual supplement from site to site. Time should be allocated to accomplish this at the appropriate site. Many AMOs have the ability to provide manuals either by electronic mail or CD-ROM. If provided in CD-ROM format, it must be compatible with the FAA computer system or a system provided to read it.

CAUTION: The FAA may not require or be responsible for electronic equipment provided by the AMO to view the manual supplement.

NOTE: The MIP does not require the complete MOE to be submitted to the FAA. The FAA and EASA strongly recommends reviewing the MOE and FAA supplement at the NAA office or AMO. This is following a similar process established for the MIST inspection used in the United States. Although the MOE is not part of the sampling inspection, some AMO FAA supplements may reference sections of the MOE and be available in English, therefore those sections must accompany the FAA supplement.

(3) The NAA is required to retain a copy of repair station surveillance records IAW EASA part 145B requirements for 4 years. Therefore, the FAA certification/renewal package is retained for a 4-year period. The FAA should review this package and confirm a statement of continuing need to maintain or alter U.S.-registered aircraft and/or aeronautical products being installed on U.S.-registered aircraft (see AC 145-7A or Interim BASA/MIP Guidance).

(4) A review of the NAA's last appropriate surveillance form that includes the FAA special conditions should be conducted. This may be the entire form used for surveillance and not just the FAA Annex to the form (in the case of the EASA, EASA Form 6). The MIP requires the NAA to make this form available to the FAA on request. Ample time should be allowed for the NAA to provide the form before the FAA inspection. Because of the use of languages other than English in the majority of NAA surveillance forms, it is more convenient and efficient to review the surveillance forms at the NAA office, where an interpreter is available. (Caution: the agreement calls for the FAA to review the NAA surveillance form at the NAA office; the NAA is not required to provide the FAA with a copy of the form. This is because the NAA has expressed concerns with the FAA's FOIA procedures; therefore, we may view the forms at the NAA office but are restricted from removing copies.) The NAA must provide the FAA annex to the surveillance.

(5) While at the NAA office, verify that the NAA Understands Finding/Discrepancy Reporting Requirements as identified in AC 145-7 or Interim BASA/MIP Guidance, paragraph 11.

NOTE: The finding reporting criteria has been agreed to between EASA and the FAA and applied to EASA-approved repair stations located in the United States and FAA-approved AMOs in E.U.

F. Sample Inspection.

(1) The FAA sample inspection should focus on no more than three of the specific areas described below. The inspection should be limited to 2 days at the facility and a day at the NAA office as necessary, depending on the size of the organization. This is a sampling inspection to ensure that the organization and the NAA are applying FAA Special Conditions IAW AC 145-7 (Interim BASA/MIP Guidance). The team should use the following inspection items as a guide and select two or three items to focus on in the inspection. Not all areas need to be covered at each AMO. It is preferred that the focus change with each AMO visited to provide FAA with an overall annual picture on the compliance posture of the MIP country.

NOTE: The FAA relies on EASA's standard and quality system to verify NAA's compliance with EASA part 145 (MAST program) as outlined in the MIP.

(2) A standard approach to performing sampling inspections of AMOs/CFRSs consists of requesting the FAA liason or appropriate technical

person of the AMO, normally the quality manager or a person responsible for final return to service, to accompany the team on the surveillance of the facility. As part of this inspection, the team should become familiar with the organization's process. It is beneficial to follow the process of one or more article/aeronautical products from incoming or receiving inspection through each step of the maintenance process. The FAA team should observe the inspection techniques, repair techniques, testing procedures, final inspection, return to service, and the data used to perform these functions. This is a sampling inspection and each shop in an organization need not be visited. The FAA is verifying through the review of the system that the NAA and the organization is in compliance with the MIP. During the inspection, the following items should be observed and noted:

(a) Observe the documentation being used (i.e., work cards), noting if the document contains a reference to the manufacturer's manual, air carrier's manual, or other FAA-acceptable data. Normally, the FAA would expect the actual work documents to be in their national language. However, the work card should have a reference to an English language version of the technical manual that the work card was derived from at the facility or main base of operation. The team should request that the organization interpret the work document and make a comparison to the English version.

(b) In the case of a limited airframe-rated AMO that has been rated for an entire aircraft, a different approach would be taken. There would be some additional areas to be covered, such as work away from the facility, geographic authorizations, or line stations within the MIP country. In these instances, a review of the AMO's Internal Evaluation System/QMS to ensure that these areas are covered in the AMO's annual audits should be sufficient; however, a visit to one or two line stations may be necessary to confirm compliance.

(3) The list below are the MIP special conditions with which the repair station is obligated to comply. During the process of following an article(s) from incoming or receiving inspection through each step of the maintenance process. The team should use the following inspection items as a guide and select two or three items to focus on for in-depth review during the inspection (more may be selected as time allows). Not all areas need to be covered at each AMO, these items should be reviewed for compliance with the following procedures:

NOTE: Interim BASA/MIP guidance gives a further detailed break down of each of the items below (see sample MOE supplement).

(a) Procedures for approval for release or return to service that satisfy the requirements of part 43 for aircraft and use of EASA Form 1 for components. This includes the information required by §§ 43.9 and 43.11 and all information required to be made or kept by the owner or operator in the English language, as appropriate. The procedure must also ensure that major repairs and major alterations/modifications are described in the English language in the appropriate documents.

(b) Procedures to ensure that major repairs and major alterations/modifications (as defined in the regulations) are accomplished in accordance with data approved by the FAA (if applicable).

(c) Procedures for reporting to the FAA failures, malfunctions, or defects, and Suspected Un-approved Parts (SUP) discovered, or intended to be installed, on U.S. aeronautical products. (EASA reporting system meets part 145 reporting requirements.)

(d) A procedure for NAA approving the AMO's initial and recurrent employee training program on behalf of the FAA, and revisions thereto.

(e) Procedures to show that any deviation from a manufacturer's calibration standard demonstrates compliance to U.S. National Institute of Standards and Technology (NIST) standards, or other standards acceptable to the FAA.

(f) Organizational chart, including points of contact, and a list of locations by address within the MIP country where the FAA certificate will be used. It also must provide a summary of its quality system and procedures for notifying the FAA of revisions to the organizational chart, list of locations, or quality system.

(g) A procedure for providing the NAA, for approval on behalf of the FAA, a list of functions to be performed under contract to a non-FAA certificated outside source. In addition, the list of contractors and subcontractors included in the MOE

should indicate which outside sources are used to perform maintenance on U.S. civil aeronautical products. The AMO must also have procedures in place to ensure that contractors and subcontractors meet the terms of the MIP. In addition, the procedure must include provisions for a non-FAA certificated source to return the article to the AMO for final inspection/testing and return to service.

(h) Procedures to ensure compliance with air carriers' manuals, including the separation of maintenance from inspection on those items identified by the air carrier/customer as required inspection items (RII).

(i) Procedures to ensure compliance with the manufacturer's maintenance manuals or Instructions for Continued Airworthiness (ICA) and handling of deviations. Procedures to ensure that all current and applicable Airworthiness Directives (AD) published by the FAA are available to maintenance personnel at the time the work is being performed.

(j) Procedures to confirm that the AMO supervisors, and employees responsible for final inspection and return to service of U.S. aeronautical products, are able to read, write, and understand the English language.

NOTE: The above items are not intended to limit the inspector's ability to make additional observations. Additional observations should be brought to the attention of the NAA but are not considered part of the sampling inspection.

(4) At the conclusion of the inspection, the following should take place:

(a) The team members, including the NAA representative, should privately discuss their findings and recommendations. This should be an open discussion informing the NAA representative and team members of the inspection results. Any disagreements should be resolved during the private discussions. This will avoid any lengthy discussions and conflicts when briefing the AMO management. At the briefing, the FAA and NAA should agree to a timeframe for the NAA to require corrective action or plan for corrective action by the AMO. The procedure for the NAA forwarding corrective action documents to the FAA, with NAA comments and recommendations, should be clearly understood. The FAA should request the NAA to address the observations made during the sampling inspection that were not regarded as sampling findings but require some action by the NAA or AMO to provide the FAA with a written disposition of the observations.

(b) Debriefing the AMO. On completion of each AMO inspection, the inspector or team leader will brief the AMO and the NAA inspectors and inform the AMO and NAA of any findings. All findings must reference a specific MIP special conditions paragraph and FAA supplement/MOE chapter. The inspector or team leader also will provide the AMO and the NAA with an appropriate period of time or within 30 days to ensure any deficiencies have been corrected or corrective action plan has been submitted and accepted by the NAA. Any findings not disclosed during the AMO/NAA briefing will not be used as a finding in the final report.

(c) During the debriefing, any questions or concerns the FAA team has noted should be discussed with the appropriate AMO management personnel. This will allow the organization's management time to respond if additional research is needed before the team departs.

7. BRIEFING THE NAA OFFICE AND FINAL REPORT/ENFORCEMENT.

A. Briefing the NAA Office. It may be necessary at the discretion of the team leader or NAA representative to brief the local NAA office and/or NAA headquarters on the results of the sampling inspection. Appropriate NAA personnel should attend the briefing. This should be determined by the most cost-effective method. It is acceptable for the NAA representative to debrief the NAA management, or use a method of telephonic communication to verify that all are kept informed. It is not necessary for the team or team leader to make multiple trips to satisfy this requirement. The briefing should disclose all findings and an open discussion between the FAA and the NAA should take place. This is a learning process for all concerned persons and should be approached with open minds. At the briefing, the FAA and NAA should agree to a timeframe for the NAA to require corrective action by the AMO. This is a systems approach and the NAA should be given every opportunity to ensure that the AMO takes corrective action.

(1) Minor infractions (e.g., procedural, manual) should be listed as findings. The FAA

expects the NAA to monitor the AMO for corrective action or, in some cases, the submission of a corrective action plan.

(2) The procedure for the NAA forwarding corrective action documents to the FAA, with NAA comments and recommendations, should be clearly understood.

(3) When conducting the briefings and developing the final report, ensure it is a concise presentation of fact, conducted in a diplomatic and business-like manner. The BASA/MIP recognizes the abilities and inspection methods of the NAA's as professional and effective, and the FAA fully supports this position. All findings must reference a specific MIP special conditions paragraph and FAA MOE supplement /MOE chapter.

(4) If upon completion of the sampling inspection, the team/inspector verifies that there are some compliance concerns that involve safety issues, the team/inspector will notify the country coordinator and IFO manager of the findings. The IFO management may contact the NAA and request a meeting with the management of the NAA to discuss any additional joint inspections that may be required to satisfy the concerns. Section 5.1 of the MIP provides for the FAA to conduct independent investigations as necessary (see section 3 of this chapter). All fees associated with an FAA independent inspection will be billed to the repair station including the meeting with the NAA.

B. Enforcement Policy. If the inspector or team leader determines that a finding affects safety, section 4.6 of the MIP allows the FAA the freedom to recognize the enforcement capability of the NAA. Therefore, consideration must be given to any enforcement/sanctions that the NAA has or is in the process of taking; care must be taken not to take additional action aside from remedial action such as a letter of corrections to acknowledge that the regulations have been involved in an enforcement action. When a significant finding such as a safety of flight issue is noted, the FAA inspector or team leader will process the action IAW FAA Order 2150.3, Compliance and Enforcement Program, current edition. FAA enforcement action should be discussed with the NAA as an educational tool so that the NAA becomes familiar with what the FAA considers serious safety issues. (See vol. 2, ch. 171, for a description of the disposition of findings.)

NOTE: The MIP provides the FAA with the ability to recognize the corrective action of the NAA without additional FAA action. This type of finding can be closed out by the FAA as "no action required," but the office will retain a record of the findings and corrective action for future reference. In the future, if the same findings continue to be reported, then the FAA should take appropriate action IAW FAA Order 2150.3, current edition.

C. Preparing the Report. The inspector or team leader will prepare and maintain an inspection report in the operator's file and forward a copy of the report to the NAA for distribution to the AMO containing the following information:

(1) Inspection final reports on each repair station should contain the name and address of the AMOs and the country visited.

(2) Identify FAA and NAA inspectors involved by name, position, and office address.

(3) Identify the NAA office where the certificate is held.

(4) Identify areas inspected and a list of findings.

(5) Identify the agreed upon timeframe for corrective action or plan for corrective action agreed to.

D. Annual MIP Country Summary Report. The country coordinator will provide an annual summary each October of sampling inspections and findings conducted within the MIP country through the IFO management and Regional Office to AFS-300 that includes:

(1) A list of the repair stations visited and certificates numbers.

(2) Identify FAA and NAA inspectors involved by name, position, and office address.

(3) Identify the NAA office where the certificate is held.

(4) Identify a sample of which U.S. customers the repair station is performing work for, if available.

(5) Identify areas inspected and a list of findings (this may be a chart identifing the number of fndings in each area).

(6) The report must indicate that corrective action has taken place. The report should indicate time frame for corrective action

(7) The country coordinator should provide a comment section that will give an overall opinion of the process and the NAA's abilities to comply with the MIP. This will aid in determinating if the NAA workforce will need additional training or guidance. This will also aid the FAA and the NAA in determining the effectiveness of each other's inspection techniques. The end result should establish continued confidence in the MIP process.

9. TASK OUTCOMES SAMPLING INSPECTIONS.

A. Complete PTRS. The FAA inspector will file a PTRS data sheet and input Vital Information Subsytem data for all tasks completed.

(1) When the FAA has performed the sampling inspection, PTRS codes 3655/5655 must be used. The FAA inspector should use the comment codes for any significant comments when appropriate. Additionally, the PTRS codes in the following paragraphs should be used, as appropriate:

(2) When processing documentation (e.g., reports, applications, EASA Form 6, FAA Annex to Form 6), PTRS codes 3045/5045 must be used. The FAA inspector should use the appropriate comment codes. The inspector should also open and close the following PTRS codes and identify findings in the proper comment section of the PTRS code. This will provide a database to the RSAM (risk anaylis program) which will, in the future, provide an improved method of identifing AMOs.

(a) Documenting the Sampling Inspection in PTRS. Repair stations sampling inspections is accomplished using the enhanced repair station baseline surveillance program that is located in Order 8300.10, volume 3, chapter 97. PTRS activity codes 3655 and 5655 are now divided into the same 14 individual PTRS activities that make up the base line inspection for a 3650/5650 surveillance. This chapter has provided guidance for accomplishment of the surveillancce of the MIP special conditions. It also provides a means to be followed when documenting surveillance. This is to ensure the surveillance is tracked in the same manner as that of any other facility located inside or outside of the United States. The base line surveillance is initiated by opening the PTRS activity code 3655/5655. The FAA sampling of an MIP-focused inspection may be limited to two or three focused areas of a facility inspection. The aviation safety inspector (ASI), therefore, should enter the PTRS activity codes that correspond to the subject area of the focused inspection in section IV of the PTRS form. (i.e., only the focused inspection items are to be listed). All comments, notes, and discrepancies should be entered in addition to the focused activity codes, this should be accomplished using existing PTRS procedures identified below.

(b) The incorperation of the enhanced air carrier and repair station outsource oversight system into the FSAS program and into the National Program Guidelines (NPG) system is undergoing reprogramming. In the future, the process will be automated.

NOTE: Each applicable PTRS code will need to be entered as single entries. This is an interim procedure! The computer program is presently undergoing revision and modification.

- (3601/5601) Parts and Materials
- (3604/5604) Certificate Requirements
- (3605/5605) Records Systems
- (3606/5606) Work Away from Station
- (3608/5608) Quality Control
- (3618/5618) Air Carrier & Air Operator Requirements
- (3654/5654) Maintenance Process
- (3657/5657) Housing and Facilities
- (3601/5601) Tools and Equipment
- (3659/5659) Personnel Record
- (3660/5660) Manuals
- (3661/5661) Training
- (3663/5663) Contract Maintenance
- (3656/5656) Technical Data

(3) Fees. The AMO will be advised that any applicable fees will be calculated IAW AC 187-1, Flight Standards Service Schedule of Charges Outside the United States, current edition. This inspection function is considered to be a sampling inspection of

the AMO certificate and if the FAA conducts the record and MOE supplement review at the NAA office, all costs associated with the review shall be charged to the repair station, as it is an integral part of the FAA surveillance, the fees should be calculated using inspection time, travel, and per diem expenses as well as other expenses identified in AC 187-1, current edition.

B. Document Task. The FAA inspector will file all supporting paperwork in the certificate holder's and/or applicant AMO's office file. In the case of MAST reports and other pertinent written communication with the NAA, each FAA IFO will establish an office file for each NAA country in the FAA IFO's area of jurisdiction in which FAA has signed a BASA/MIP. All such communication will be retained in the FAA IFO's NAA file for a period of 5 years.

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SECTION 3. FAA INDEPENDENT INSPECTIONS

1. GENERAL.

A. The MIP has a provision for the FAA to perform independent inspections of repair stations when safety issues surface. These independent inspections are not related to the sampling inspection in section 2 of this chapter but must be accomplished with the concurrence of the FAA regional office and AFS-300, Aircraft Maintenance Division.

B. The normal criteria for conducting an independent inspection may be the result of an incident, accident, other safety related issue, or failure to comply with the overall MIP. The regional office or headquarters may request an inspection for other safety concerns.

C. The independent inspection will consist of at least one person totally familiar with EASA requirements. Normally, that person would be recruited from the regional office or headquarters.

3. PROCEDURES.

A. When the country coordinator and IFO manager agree an independent inspection is needed, they will contact the Regional office and provide justification as identified above. The regional office will coordinate with AFS-300 the request to ensure all concur with the need for the independent inspection and assign an inspector to assist the IFO.

B. Independent inspection may be a complete facility inspection or a focused inspection at the discretion of the IFO without the restrictions of the MIP.

C. The NAA or EASA may be invited to participate but the invitation is not required.

D. The inspection should be conducted in accordance with appropriate Order 8300.10 handbook guidance.

E. Conclusion. If the concerns have been substantiated, appropriate enforcement action should be followed IAW FAA Order 2150.3. If concerns are not substantiated, notify the regional office and Headquarters. The FAA inspector will file a PTRS data sheet and input VIS data for all tasks completed.

5. TASK OUTCOMES INDEPENDENT INSPECTIONS.

A. Complete PTRS.. The FAA inspector will file a PTRS data sheet and input VIS data for all tasks completed.

B. When the FAA has performed the independent inspection the appropriate PTRS codes identified in section 2 must be used. The FAA independent inspection may be a complete facility inspection using PTRS code 3650 or focused inspection using the appropriate PTRS codes. The FAA inspector should use the comment codes for any significant comments when appropriate. Additionally, the following PTRS codes should be used as appropriate:

C. When processing documentation (e.g., reports, applications, EASA Form 6, FAA Annex to Form 6), PTRS codes 3045/5045 must be used. The FAA inspector should use the appropriate comment codes.

NOTE: All costs associated (i.e., travel, lodging, inspector time) with FAA independent inspections, including visits to NAA for records review will be charged to the AMO being inspected. This is a safety inspection related to the AMO part 145 certificate and is justifiable IAW with certificate renewal requirements of AC 187-1, current edition.

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SECTION 4. PARTICIPATION IN NAA INTERNAL QUALITY AUDITS IN THE CASE OF EASA MAST INSPECTIONS

1. FAA PARTICIPATION AS OBSERVERS ON NAA INTERNAL AUDITS (OR IN THE CASE OF EASA, MAST VISITS).

A. Most National Aviation Authorities conduct internal assessments of their organization. The Federal Aviation Administration will participate in the NAA internal evaluations following the procedures stated below. Internal evaluation visits (in the case of the European Aviation Safety Agency, Maintenance Aviation Standardization Team) are separate from the inspections discussed above and may provide valuable information to FAA inspectors. MAST and NAA teams will visit regional and/or district office's, as the situation warrants (in the case of EASA, each EASA-member country), every 1 to 2 years to sample standards and application of the national regulations and guidance (EASA part 145 compliance by NAAs and Approved Maintenance Organizations). The team will normally visit a regional office and/or district office to evaluate the office's ability to implement the country's EASA regulatory requirements and to ensure standard application. The team normally visits one or more AMOs under the supervision of the NAA regional and/or district office to ensure the AMO is being adequately inspected and the NAA offices are providing the AMO with assistance regarding NAA regulations and guidance. This process is conducted similar to an FAA field office or region evaluation. The internal audit process is generally a learning process for the FAA and the NAA. The FAA inspector must exercise caution during the visit. The NAA may not have procedures identical to the FAA; however, during the Bilateral Aviation Safety Agreement/Maintenance Implementation Procedures evaluation process, the FAA deems whether the NAA process meets FAA needs. Any critique or discussion of an issue should be held in reserve until the team meets privately or at the out-briefing of the NAA. The FAA inspector should be advised of the many cultural differences and must exercise good judgment when an opinion is requested.

B. The FAA will continue to participate in NAA internal audits (in the case of EASA, MAST visits as observers) because compliance with part 145 is based, in part, on compliance with NAA regulations and guidance (in the case of EASA, part 145). The FAA IFO manager will appoint a MAST coordinator to schedule FAA particpation in a representitive number of NAA internal audit/MAST visits to countries that are member states of the European.Union.

(1) The EASA will provide the MAST coordinator with an annual MAST schedule.

(2) The coordinator will recommend to the IFO management countries that the FAA should participate in, based on the MAST schedule, previous experience with the counrty, the organizations within that country, and budgetary and resources available. Not all countries need FAA MAST participation; however, each country that has signed a MIP with the FAA should have the priority.

> **NOTE: FAA participation in EASA MAST visits should be limited to those countries which have signed a MIP with the United States. However at the discretion of the office manager, may elect to participate in additional EASA MAST visits based on resources availablity and safety concerns relating to a particular country. It should also be noted that the EASA MAST visits cover a large area such as EASA part 21, 66, 147, etc. The FAA observer need not paticipate in the entire MAST visit. The FAA concerns are limited to EASA part 145, therefore it may be possible to limit FAA participation to sample those elements that deal with EASA part 145 and return to the CHDO.**

C. The FAA inspector assigned to an audit or MAST will:

(1) Contact the appropriate NAA team leader and request all pertinent information, i.e., contact phone numbers, hotel arrangements, travel information, and itinerary for the audit.

(2) Attend EASA in-briefings and out-briefings as necessary. EASA MAST visits are designed to ensure the NAAs are following EASA regulation and policy. Therefore the objective of the FAA participation in the MAST visits is to verify that the MAST team is following EASA quality and standards procedures. The FAA inspector will be provided with a copy of the current EASA quality and standards MAST procedures and checklist (former Joint Aviation Authorities (EASA) F-orm 7) during the in-briefing. During the in-briefing, EASA will also provide background and history of the specific country being visited and will also provide the team with time for questions and answers.

(3) Observe the NAA internal audit procedures (in the case of EASA, MAST procedures) and document any deviations of the audit team from established procedures and any possible violations by any AMO inspected.

(4) Inform the NAA MAST at the out-briefing of any deviations from established procedures in the NAA internal audit MAST that were noted by the FAA..

D. Annual MAST Summary Report: The MAST coordinator will consolidate an annual report during the month of January of each year consisting of the following:

(1) An introduction identifying the NAAs participating in the audit/MAST, the countries visited, the AMOs visited, and the names of the team members. This information can be provided using the NAA internal audit document (MAST team report—see EASA Form 7);

(2) NAA audits (MAST), which typically focus on a particular area during each visit to the AMO and NAA offices;

(3) Option (Not Mandatory). Any observations/opinions made by the inspector; and an assessment of the NAA internal audit procedures by the inspector, including an assessment of its effectiveness.

3. TASK OUTCOMES AND NAA INTERNAL AUDIT PROCESS (EASA, MAST PROCESSES).

A complete PTRS The FAA inspector will file a PTRS data sheet and input VIS data for all tasks completed.

NOTE: When processing documentation (e.g., reports, applications, EASA Form 6, FAA Annex to Form 6, and MAST reports (EASA Form 7)), PTRS codes 3045/5045 must be used. The FAA inspector should use the appropriate comment codes.

B. Document Task. MAST reports and other pertinent written communication with the NAA, each FAA IFO will establish an office file for each NAA in the FAA IFO's area of jurisdiction in which FAA has signed a BASA/MIP. All such communication will be retained in the FAA IFO's NAA file for a period of 5 years.